Report of the Finance Committee.

[Continued from page 8.]

Amongst the vouchers of the several appropriations under the control of the President of the Board of Health, we find the following:

"Pacific Commercial Advertiser" and "Elele" for Printing and Advertising,

Mrs. Hayselden, for two months' rent of James Dodd, carriage and omnibus hire

for the Sisters of Charity After going carefully over the remaining vonchers of this Bureau we feel constrained to state that, in our opinion, a more intelligent disbursement of the liberal appropriawould have resulted in greater good to the

> BOARD OF IMMIGRATION. HONOLULU, May 31, 1884.

HON, GODFREY BROWN, Chairman Finance Commmittee, Hawaiian Legislalive Assembly.

STR: - Having been ordered by you to examine into the accounts of the Board of Immigration for the past fiscal year, say April 1st, 1882, to April 1st, 1884, I have to report having done so, and place the following before you as the result of my examina-

The appropriation account had placed to its credit the sum of \$500,000, of which has been expended \$473,050 02, leaving unexpended a balance of \$26,949 98. The sum of \$500,000 is at the disposition

of the President of the Board of Immigration, who is also the Minister of the Interior. An account book, styled the "Detail Book," containing this appropriation account was placed before me with a package of vouchers. The accounts and vouchers were uly examined, and I now note some matters connected therewith.

The expenses of the Commissioner sent to London to arrange for a continuation of Portuguese immigration seem to have been covered by a draft for £500, Jan. 24, 1883, and another draft for £300, March 31, 1883, and an account for \$559 02 for cablegrams, all of which accounts are duly audited, say \$4,559 02; but I was later on in my investigation shown a voucher for \$2,000 more paid to this officer from a fund in the hands | 111 women, 84 minors, 154 children and of the Secretary of the Board of Immigra- 31 infants, a total of 513 souls, were left tion, to which I shall again refer in full: this voucher had not been audited, making a total amount of \$6,559 02 paid to this officer without detailed account of expendi-

The next matter attracting my attention was voucher No. 3,037 for \$2,500, drawn by "Walter M. Gibson," approved by "Chas. T. Gulick. Minister of the Interior," audited Nov. 19. 1883, by "J. S. Walker, Auditor-General," paid Nov. 20, 1883, for expenses of Immigration Commissioners, by resolution of Cabinet Counsel of October 31st, 1883, for which there was no detail of ex-

Also voucher No. 3422 for \$6,200, drawn by "Walter M. Gibson," approved by "Chas. T. Gulick. Minister of the Interior," audit ed by "J. S. Walker, Auditor-General," Jan. 18, 1884, for expenses Immigration Commissioners, by resolution of Cabinet Council, October 31, 1883, for which there was no detail of expenditure. Also voucher No. 3905 for \$4,882 55 drawn "Walter M. Gibson," approved by "Chas. T. Gulick, Minister of Interior," audited by "J. S. Walker. Auditor-General," March 28, 1884, and paid March 29, 1884, for expenses "Foreign Emigration Agents," with a note that "vonchers to be supplied;" making a total sum of \$13,-582 55 paid to "Walter M. Gibson," for which no detailed vouchers could be supplied by the clerks of the Interior Department, although drawn against an appropriation for that department.

The Secretary of the Foreign Office afterwards informed me that the bills for which those vouchers were drawn were in his department and would be put into my hands. Three rolls of vouchers were put in my hands to represent the drafts for \$13,582 55.

as follows:		
For voucher No. 3037 representing\$2,500	45	
Salary Special Com. to Washington, D. C., \$1	,290	62
Expenses Boston Exposition	451	25
Salary of C. P. Iaukea	500	00
Salary of F. L. Clarke	200	00
Paid Finance Department to bal, over-		
draft on Appropriation for "Foreign		
Missions"	95	58

For youcher No 3432 representing ... \$6,200 Salary Special Com, to Washington, D. C., 82,562 00 Expense Boston Exposition Salary of C. P. Iaukea Salary of F. L. Clarke and Passages ... Salary of A. N. Tripp and sundries purchased for Museum Revolver for Capt. Tripp \$5,155 14

Am't received......\$6,104 58(should be \$6,200 Spent as above 5,155 14 Balance of 949 44 deposited

For voucher No. 3905 represent'g \$4 882 55 C. P. farkea's draft from Naples. C. P. Iaukea's draft from London......... 1,063 34 C. P. Taukea's draft from Paris...... Refunded to Mr. Gibson over payment on

\$3,198 22

Am't received \$1,882 55 Spent as above 3,198 22 This detailed account from the Foreign

Office, corrected, shows:

Avails of W. M. Gibson's draft No. 3037...\$ 2,500 00 | Overpaid on account draft No, 3037

Paid out ac't draft No. 3037......\$2,537 45 Paid out ac't draft No. 3422...... 5,155 1! Deposited per a't draft No. 3422... 949 44 Paid out ac't draft No. 3905...... 3,198 22 Deposited per ac't draft No. 2005.. 1,684 33 813,524 58 Balance amount not act' for...... \$ 95 42

The attention of the Secretary of the Foreign Office was called to this amount, \$95 42, not accounted for. The Secretary explained that the amounts noted as deposied were in an envelope in the hands of the Registrar of Public Accounts, as a special deposit.

The Registrar of public accounts being waited upon, sald that he had an envelope containing vouchers and money, which, upon examination, showed as follows:

Voucher May 12-no details-for	331	67
Voucher May 12-no details-for		
Voucher May 22—no details—for These vouchers are not audited.	1,061	00
	2,748	33

Total amount in envelope .. The next voucher calling for attention was numbered 3,392 for \$187,057 76, approved by "Chas. T. Gulick, Minister of Interior," and paid to Messrs. W. G. Irwin & Co. January 11th, 1884, but not audited by the Auditor-General until March 31st,

The several accounts represented by this voucher had been in the debartment, but one could not be found and a copy was supplied, making the vouchers complete.

This finishes the consideration of the appropriation account for Encouragement of Immigration. The account is, however, held open, awaiting the promised vouchers to complete the entry of voucher No. 3,905 in the hands of the Minister of Foreign Aftions placed at the disposal of the Board fairs. A letter of credit in favor of the Commission to Japan for \$6,000, of which but \$3,000 seems to have been drawn Nov. 14th, 1882, is still unsettled, as no detail of the expenditures has been placed on file. This credit does not, however, represent all the funds made available for this Commission, as will be shown later on in this

As the sums collected from planters and others for passage and advances to Portuguese laborers did not appear in the books of account of the Interior Department, application was made at the office of the Registrar of Public Accounts to ascertain whether the sums thus collected had been placed to the credit of account of "Government Realisations." The Registrar replying that he knew nothing of any such sums, the Department of the Interior was again applied to and the Secretary of the Board of Immigration informed me that he had not only made the collections, but had also disbursed them for account of the Board, and presented for examination an account current with each of the vessels bringing Portuguese immigrants.

The first matter examined in this connection was the table of arrivals of said immigrants, which gave a result so markedly at variance with other means of information that a close examination was made, with the result that an error was found in the account of the S. S. Hankow's passenger lists, by which 133 men, out of the accounts; the grand total being as follows: 1,690 men, 1,371 women, 561 minors, 2,159 children and 385 infants; grand total, 6,166.

Application was then made for the books of account containing the transactions of the Board of Immigration, and the startling reply was made that no books of account were kept; that the only evidence of such transactions was contained in the loose sheets of journal paper, in the form of accounts current, and accompanying vouchers, which were audited by the Auditor-General.

These transactions cover the collection of two hundred and nine thousand two hundred and eighty-six dollars and twelve cents (209,286 12) and the disbursement of one hundred and seventytwo thousand and twenty-two dollars and ninety-six cents (172,022 96) without the warrants of the Appropriation Act, and in direct opposition to the terms of "an Act to regulate the receipt, custody and issue of the public moneys, and to provide for the audit of public accounts,"

being chapter 23 of the laws of 1882. The Secretary of the Board says that he acted in all matters of business connected with the collecting and disbursing of these sums of money, under the verbal instruction received from the Minister of the Interior, who was ex-officio President of the Board of Immigration; that the only meetings of this Board were held (1) Aug. 24, 1882, (2) Sept. 22, 1882, (3) Oct. 21, 1882, (4) May 7, 1883, (5) Dec. 14, 1883, since which time no meetings have been held; that the records of these meetings do not show that these money transactions were considered by the Board, and, therefore, could not have had the authorization of the Board.

The accounts current with the several vessels were examined and compared with vouchers, and the following table compiled therefrom:

88 88 88 1

Credit Balances	28,337 24,921 2,136 14,751		
	1 2	12 13	9
Debit Balan	\$ 83.234 \$	861	\$ 37,263
Total expenses tary Board of tary Board of	15,251 01 86,580 04 7,269 03 4,835 53 46,074 91 31,610 39	172,022 96	***************************************
Passages and	15,611 84 83,735 23 35,607 60 29,756 88 48,213 77 46,381 46	,286 12 \$	
Total receipts—		500	
	4728884	12	
Total advances to Immigrants.	2,556 2,556 2,556 4,113	177,71 \$	
No. of Minors.		83.1	
No. of Women.	171 88	328	
No. of Men.	92 203 318 372 434 393	17.12	
Vessel, and Date of Arrival.	Dalhousie, March 27, 1882. Monarch, June 7, 1882. Hansa, September 9, 1882. Abergeldie, May 4, 1883. Hankow, July 7, 1883. Bell Rock, November 1, 1883.	nce in hand of Secretary Board of Immigration.	*

The expenses of landing the passengers and luggage, and caring for the people, differing so greatly in the several vessels, it may be well to tabulate the figures in order that you may be helped to a proper understanding of the point sought to be

Vessel and President Board of Immigration. Cts. Cts. Cts. Earl Dalhousie. W. N. Armstrong ... 22 1/4 37 1/4 15 1/4 Monarch. E Bush Abergeldie. 25 25 36 12 00 6 55 13 Hankow. 35 25 4035 17 94 7 67 9 E. Bush.....

The cost of landing the passengers and their luggage from S. S. Abergeldie and Hankow was 25 and 35 cents respectively. Tenders were made to land the people and their luggage from these vessels for the sum of ten cents per passenger, but for some reason the tenders were ignored.

T. Gulick...... 9 25 1834 8 73 4 66 12

The cost of preparing the contracts depended entirely upon the persons to whom the job was allotted. Parties outside of the Government House were paid in one instance 8 cents a copy, and in another 15 cents, while parties connected with the department were paid 25 and 371/2 cents per copy.

The charges for express hire were for carriage of the Secretary of the Board of Immigration so far as the vouchers show, while the lunches were for the same official and his

Drayage charges for the S. S. "Abergeldie" and "Hankow" were double rates for day and night worh.

The cost of immigrants to the Board by the "Bell Rock" as made up by the Secretary of the Board of Immigration, was \$46 per capita. The figures for the other vessels had not been made up.

The Secretary of the Board of Immigration was called upon for the cash balance in his hands. as per table A, and presented in lieu thereof, several rolls of vouchers representing still further expenditure of monies which by Section 2 of the Auditor's Act should have been covered into the Treasury.

It will be observed that the transfers hereinbefore set forth have been not only from and to accounts in one department, an act permissible under former appropriation Acts, but purposely omitted in the Act of 1882; but there have also been transfers from accounts in one department to accounts in another department and for widely different purposes. The most notable instances of these most irregular and unwarrantable transfers will be found in the three sums taken from the funds in the hands of the Board of Immigration by the Minister of Foreign Affairs, to which your attention is

particularly called. The vouchers now presented to me for examination had not been audited, although the Auditor-General's attention had been called to them at the close of the fiseal period. I was informed that the Auditor-General was aware of the collections of money by the Secretary of the Board of Immigration and of its disbursement, and it is presumable that he was acquainted with the provisions of the Act creating his office; but for some reason, which he may be able to explain. the Secretary of the Board of Immigration was never ordered to cover the money into the Treasury. The Secretary of the Board also states that he was never called upon to make a quarterly or any other exhibit to the Auditor-General, or for that matter to any other officer. He also says that the accounts current which were placed in my hands were made up within the past quarter from the memoranda which had been accumulating during the fiscal period; that the disbursements now under consideration were authorized by the President of the Board of Immigration, holding office as fol-

His Excellency S. K. Kaai, from May 20th to August 8th, 1882. His Excellency J. E. Bush, from August 9th, 1882, to July 26th, 1883.

His Excellency W. M. Gibson, from July 27th to August 5th, 1883. His Excellency C. T. Gulick, from August 6th, 1883—now in office.

These vouchers have been examined and classified for the purpose of showing the objects for which the money was expended. The only merit these expenditures have is that they are mostly for purposes connected with the Bureau of Immigration.

TABLE C. Incidentals Board of Immigration........ 858 25 Expenses Commission to Japan..... Expenses German Immigration Protection of South Sea Islanders 1,146 63 Expenses Portuguese Immigration....... 11,107 51 Salary of Inspector-General of Immigra-Travelling Expenses Inspector-General of Repairs, etc., Immigration Depot 1,889 68 Furniture, Tools, etc., at the Depot....... 95 86 Salary Secretary Board of Immigration... 1,275 00 Return of South Sea Islanders.. Commissioner of Portuguese Immigration 2,000 00 Sundry Expenditures

The item of Expenses Commissioner to Japan, \$921, is made up of made up of money advanced to His Excellency J. M. Kapena, \$400, upon his bare receipt, and to the Hon. J. L. Kaulukou, \$500, upon a like receipt, both payments being made upon the 23rd September, 1882; the balance is for express hire of the Commissioners and His Excellency the President of the Board of

Immigration of that period. The accounts presented by and paid to the Protector of the South Sea Islanders are in marked contrast to those presented by other parties drawing upon the funds of the Board of Immigration, being detailed with great

care and evident conscientiousness. The item of expenses of Portuguese Immigration, \$11,107.51, is a peculiar one, showing a willful disregard of the terms of the Auditor's Act and of the Appropriation Act. In the first instance this money should have

covered into the Treasury and not made available for disbursement. In the next place the Appropriation Act contained an unexpended balance sufficient to meet the draft. This item was for drafts drawn upon the Board by Mr. Hoffnung for £4,000-to \$20,000, to which were added charges for commissions and expenses of collections, amounting to \$724.20, making a total of \$20,724.20. As will be seen by reference to the first page of my report, the appropriation for Encouragement of Immigration had at the close of the fiscal period a balance of \$26,949.48 to which this item of \$20,724.20 was rightly chargeable; but for some unexplained reason or purpose the item was settled by an illegal payment of \$11,107.51 out of the funds in the hands of the Secretary of the Board of Immigration, and the balance of \$9,616.69 was properly charged up to the Appropriation Account.

The item for traveling expenses of the Inspector-General of Immigrants, \$887, is meagrely explained by vouchers; one being for expenses of Inspector-General and one servant, \$500, and another for expenses

of the Inspector and two servants, \$212.50. The item for Commissioner of Portuguese Immigration, \$2,000, was paid to the Commissioner as shown by his voucher: but for what purpose and why not included in the charge before alluded to and charged to the regular appropriation account is not ex-

The balance which should have been in the hands of the Secretary at this time is the difference between

Balance given in Table A And payments as per Table C 33,837 25 Or a balaace of

When the Secretary of the Board of Immigration was again asked for the balance of cash in his hands, he passed over a receipt from Messrs. Irwin & Co. for \$9,388.08 for cash received by them for account of advances on account of Portuguese Immigration made by J. D. Spreckels & Bros. in San Franc.sco, which Messrs. Irwin & Co. duly account for in their account current.

The Secretary explained that is was the balance of cash remaining in his hands which he was instructed to pay over to Messrs. Irwin & Co., and which lessened by so much the draft properly made upon the regular appropriation account for "Encouragement of Immigration" in settlement with Messrs. Irwin & Co. Your attention is asked to the balance cash in the Secwhich his account shows, \$3,425.90, or an excess of cash \$5,962.18, for which excess the Secretary frankly said he could give no explanation, and which he was not aware existed until after the payment to Messrs. Irwin & Co., when he made up his accounts. He also said that he had checked back his accounts but could not find the error.

From the statement made to the Assembly it would appear that the total cost for "Encouragement of Immigration" was added the sum of collections accounted for by the Secretary of the Board of Immigration and the sum of cash in excess,

Regular Appropriation Account........\$473,050 02 Collections, Secretary of Board, see

As the limit which could be lawfully expended under the Appropriation Act was but \$500,000, it follows that there has been an illegal expenditure of 188,-298 32, for which indemnity should be sought by the Ministry.

The facts herein shown, that the sum of \$215.248 30 has been collected and disbursed by the Board of Immigration, and this without books of accounts, and and above any record of collections, would seem to justify the placing of the mass of loose papers, representing the transactions of the Board for the fiscal verification. Any person conversant with accounts will at once recegnize the improbability that the excess of \$5,962 18 covers the only error in bandling such large sums of money over a period of two

Respectfully Submitted.

J. O. CARTER, Acountant.

PRINTING, ADVERTISING, ETC.

The numerous and large payments to the owners of the P. C. ADVERTISER and Elele for subscriptions, printing and advertising attracted the attention of the Committee early in the course of their investigations, and led them to note the amounts, although all of the sums thus expended were not noted by the Committee. The items which they did note amounted to so large a sum, that we deemed it important that attention should be directed to the matter. And to do no injustice we have obtained from the office of the Hawaiian Gazette and Saturday Press the total amounts paid them by the Hawaiian Government during the period, and present the following comparative statement:

Paid to P. C. Advertiser and Elele.........\$18,170 62 Paid Hawaiian Gazette Mar. 31, 1822, to Mar. 31, 1884, printing and advertising On account of contractfor printing Civil Code Saturday Press...

IN CONCLUSION

Your Committee beg to state that they submit their Report to the Honorable House, with a feeling that it does not cover all the transactions of the Government that require investigation, but the task of making a more thorough and searching scrutiny would have consumed so much time that they have concluded to rest here.

Attention is called to the report of Mr. J. O. Carter, on the Board of Immigration, which is a very careful and impartial statement of the way in which Government business is managed, and your Committee would recommend that a special committee of experts be appointed to thoroughly investigate all transactions of the Board; the fact that the cash is over in the large sum of \$5,962 18 showing conclusively that great irregularity must exist.

Respectfully Submitted.

GODFREY BROWN, Chairman, JAMES KEAU, WILLIAM O. SMITH, Jos. NAWAUI, W. E. ROWELL. Honolulu, June 13th, 1884.

Inquiry at the Immigration Depot.

Senhor Canavarro, the Commissioner for Portugal, having called the attention of the Government to the unusual number of deaths which occurred among young children during the voyage of the City of Paris, an inquiry was held on Tuesday into the matter by His Excellency the Attorney-General. The purser, the doctor, the steerage steward, the interpreter, and six of the immigrants. fathers of families, were interrogated.

Purser Adams gave evidence as to the sufficiency and quality of the stores; also that the children under 12 years brought by the City of Paris (including those born on board) were 231 from Madeira, of whom 43 died; 152 from St. Michaels; of whom only 10 died.

Dr. Kenny testified that three days after leaving Madeira, on their arrival at St. Michaels, two cases of measles broke out. Of the deaths during the voyage, 36 were from measles, 5 from bronchitis, 10 from exhaustion and diarrhea, most of these fifteen being from the after-effects of measles. The other deaths were, one from sunstroke and one from an accidental retary's hands, \$9,388.08, and the balance burn. At the time of entering the Straits of Magellan, from 150 to 200 were ill of measles. There were also a similar number of cases of thrush, but no deaths from this cause. The total number of cases of measles during the voyage among adults and children was 400. Later, about 80 children suffered from chicken-pox; \$473,050 02; but to this sum should be but there were no deaths. The average of the ages of the children that died was 2 years and 3 months; there were only two over 6 years old. They had milk from two cows exclusively for the children. The latter refused to take the extract of beef.

> The evidence of the immigrants confirmed the statement of the officers of the ship that the food and treatment received by the sick was good and sufficient.

Senhor Canavarro was present during the inquiry, and he and Mr. Neumann came to the conclusion that the provision for treatment of the that he has vouchers for \$5,962 18 over sick children, and for feeding them, was satisfactory, and that no blame could be laid on anyone connected with the ship. From what we have period just closed, in the hands of a heard, there seems reason to believe special commission for examination and that the mortality among the children who came from the Island of Madeira was, in a great measure, due to the ignorance and carelessness of their parents.

Building a Bird's Nest.

Yesterday the Prince found a last year's bird's nest. There was nothing in it. And there wasn't much outside of it. I took it to pieces to show the boy how the bird might have improved the nest had she possessed the wisdom and skill of the immortal intellect. My sermon on the supremacy of the human intellect was very impressive. The Prince appeared to be profoundly interested. His interest deepened when I began to reconstruct the nest on scientific and intellectual principles. It continued to increase. It fairly boomed as my difficulties developed and multiplied. But I got the nest together at last, and laid it on a log and looked at it. The Prince only said:

"Hoh! what a nest." He was correct. The most destitute, homeless tramp of a bird that ever hunted worms would have died without posterity rather than lay an egg in such a nest as I had made. It was awful. An old shoe was beautiful and graceful compared with my nest. A passing crow looked down and saw it, and with a great "caw" of derision carried the news to the buzzards. And the boy wanted to know why the birds could make nests so much better and prettier than we could. And I didn't know, unless it was because Col. Ingersoll taught them. I do not believe myself he did teach them, but a great many people do.-R. J. Burdette.